

NOV 08 1999

**FEDERAL ELECTION COMMISSION**  
999 E Street, N.W.  
Washington, D.C. 20463

**SENSITIVE**

**FIRST GENERAL COUNSEL'S REPORT**

MUR: 4843  
DATE COMPLAINT FILED: October 28, 1998  
DATE OF NOTIFICATION: November 3, 1998  
DATE ACTIVATED: March 5, 1999

EXPIRATION OF STATUTE  
OF LIMITATIONS: March 28, 2002<sup>1</sup>  
STAFF MEMBER: Mark Shonkwiler  
Stephanie Watson

COMPLAINANT: John S. Hicks  
Orange County Republican Committee

RESPONDENTS: Friends of Maurice Hinchey and Frank Koenig, as treasurer

RELEVANT STATUTES: 2 U.S.C. § 441a(f)  
2 U.S.C. § 441b(a)  
11 C.F.R. § 103.3  
11 C.F.R. § 110.4(b)

INTERNAL REPORTS CHECKED: FEC Indexes, Disclosure Reports

FEDERAL AGENCIES CHECKED: Department of Justice -  
U.S. Attorney's Office for the  
Southern District of New York

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
NOV 9 9 59 AM '99  
SECRETARIAT

**I. GENERATION OF MATTER**

This matter was generated by a complaint from John S. Hicks, Chairman of the Orange County Republican Committee, ("Complainant") who alleges that the Friends of Maurice

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1 This statute of limitations date is based on the allegations in the complaint regarding respondents' failure to refund or disgorge certain 1992 contributions after learning of their illegality in 1997. As explained below, this Office has concluded that respondents knew of the illegality at the time that they were received in 1992 and that the statute of limitations on the violations actually ran in August 1997.

Hinchey Committee and Frank Koenig, as treasurer ("the Hinchey Committee") knowingly and willfully violated the Federal Election Campaign Act of 1971, as amended ("the Act") and Commission regulations by 1) failing to return or disgorge \$43,000 in illegal 1992 contributions made by Ansaldo North America, Inc. ("Ansaldo") after that corporation pled guilty to criminal charges in 1997; and 2) waiting nearly ten months after the date in 1997 on which Besicorp Group and its CEO, Michael Zinn, pled guilty to criminal charges before disgorging \$27,000 in illegal 1992 contributions which that corporation sent to the Hinchey Committee through a "straw donor" scheme.

## **II. FACTUAL AND LEGAL ANALYSIS**

### **A. THE LAW**

#### **1. Limits on Contributions**

Under the Federal Election Campaign Act of 1971, as amended ("the Act"), a corporation may not make contributions in connection with the election of a candidate for federal office, and an officer or director of a corporation is prohibited from consenting to the making of a corporate contribution in connection with the election of a federal candidate. 2 U.S.C. § 441b(a). Similarly, candidates and political committees are prohibited from accepting corporate contributions. 2 U.S.C. § 441b(a).

Corporations are prohibited from making "any direct or indirect payment, distribution, loan, advance, deposit, or gift of money or any services, or anything of value (except a loan of money by a bank in accordance with applicable laws and regulations and in the ordinary course of business) to any candidate, campaign committee or political party or organization, in connection with any federal election." 2 U.S.C. § 441b(b)(2). Corporations also are prohibited

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from "facilitating the making of contributions" to candidates or political committees. 11 C.F.R. § 114.2(f). Facilitation means using corporate resources or facilities to engage in fundraising activities in connection with any federal election. *Id.* In this same context, a candidate, political committee, or any other person is prohibited from knowingly accepting or receiving any prohibited contribution made or facilitated by a corporation. 11 C.F.R. § 114.2(d).

The Act also prohibits: (1) making a contribution in the name of another, (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. 2 U.S.C. § 441f. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. 11 C.F.R. § 110.4(b)(1)(iii). This prohibition also applies to any person who provides money to effect contributions in the names of others, 11 C.F.R. § 110.4(b)(2), and to incorporated or unincorporated entities who give money to another to effect a contribution made in the other person's name.

The treasurer of a political committee is responsible for examining all contributions received by the political committee for evidence of illegality. 11 C.F.R. § 103.3(b)(1). If any contributions as to which there are genuine question of legality at the time of receipt are deposited, the treasurer shall make his or her best efforts to determine the legality of the contribution. 11 C.F.R. § 103.3(b)(1). If the treasurer determines that at the time a contribution was received and deposited, it did not appear to be made in the name of another or exceed contribution limits, but later discovers that it is illegal based on new evidence not available to the political committee at the time of receipt and deposit, the treasurer shall refund the contribution within thirty days of the date on which the illegality was discovered. 11 C.F.R. § 103.3(b)(2).

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## 2. Committee Responsibility for Actions of Agent

Although the Act does not define the term “agent,” Commission regulations define the term for the purpose of determining whether an expenditure is attributable to a candidate’s campaign:

Agent means any person who has actual oral or written authority, either express or implied, to make or to authorize the making of expenditures on behalf of a candidate, or means any person who has been placed in a position within the campaign organization where it would reasonably appear that in the ordinary course of campaign-related activities he or she may authorize expenditures.

11 C.F.R. § 109.1(b)(5).

The Act and the regulations clearly contemplate that an agent’s authority can include the solicitation and acceptance of contributions on a committee’s behalf. See 2 U.S.C. § 432(a); 11 C.F.R. §§ 102.8, 102.9 (referring to “an agent authorized by the treasurer to receive contributions”); 110.1(b)(6) (a contribution is made when the contributor delivers it to the candidate, committee “or to an agent of the political committee”).

Where a principal grants an agent express or implied authority, the principal generally is responsible for the agent’s acts within the scope of his authority.<sup>2</sup> See Weeks v. United States, 245 U.S. 618, 623 (1918). See also Rouse Woodstock Inc. v. Surety Federal Savings & Loan Ass’n, 630 F. Supp. 1004, 1010-11 (N.D. Ill. 1986) (principal who places agent in position of authority normally must accept the consequences when the agent abuses that authority). It is a “well-settled general rule . . . that a principal is liable civilly for the tortious acts of his agent

<sup>2</sup> The conduct of an agent is within the scope of his authority if: (a) it is the kind he is employed to perform; (b) it occurs substantially within the authorized time and space limits; [and] (c) it is actuated, at least in part, by a purpose to serve the master. Restatement (Second) of Agency § 228(1).

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which are done within the course and scope of the agent's employment." 3 Am. Jur. 2d Agency § 280 at 782. See also Local 1814, Int'l Longshoremen's Ass'n v. NLRB, 735 F.2d 1384, 1395 (D.C. Cir. 1984), cert. denied, 469 U.S. 1072 (holding union liable for scheme in which officer of union conspired with employer to procure illegal kickbacks).

Even if an agent does not enjoy express or implied authority, however, a principal may be liable for the agent's actions on the basis of apparent authority. A principal may be held liable based on apparent authority even if the agent's acts are unauthorized, or even illegal, when the principal placed the agent in the position to commit the acts. See Richards v. General Motors Corp., 991 F.2d 1227, 1232 (6<sup>th</sup> Cir. 1993); First Amer. State Bank v. Continental Ins. Co., 897 F.2d 319 (8<sup>th</sup> Cir. 1990).

### 3. Statute of Limitations

The Act does not contain its own internal statute of limitations. Civil actions for the enforcement of any civil fine, penalty or forfeiture under the Act, however, are subject to the five year default statute of limitations set forth in 28 U.S.C. § 2462. FEC v. Williams, 104 F.3<sup>rd</sup> 237, 239-40 (9<sup>th</sup> Cir. 1996), cert. denied 118 S. Ct. 600 (1997); FEC v. The Christian Coalition, 965 F. Supp. 66 (DC. 1997). Federal courts generally have held that the Commission's cause of action in enforcement matters accrues, and the statute of limitations begins to run, when the violation occurs. Id.

## B. FACTS

Maurice Hinchey, who represents the 26<sup>th</sup> Congressional District of New York, was first elected to Congress in 1992 and was re-elected in 1994, 1996 and 1998. The Hinchey Committee was Mr. Hinchey's principal campaign committee during each of these election cycles. During 1992, Michael F. Zinn was the President, Chief Executive Officer and majority

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shareholder of Besicorp, a New York-based corporation involved in building power plants. During 1992, Mr. Zinn and Besicorp were involved in various business ventures with Ansaldo. Mr. Zinn also served as the "Finance Chairman" of Mr. Hinchey's 1992 campaign.<sup>3</sup>

Allegations that Besicorp and Mr. Zinn may have made illegal contributions to Mr. Hinchey's 1992 campaign activities were first presented to the Commission in a complaint, designated as MUR 4543, which was received on October 28, 1996. The MUR 4543 complaint alleged that Besicorp had encouraged its employees to make contributions to the Hinchey Committee, and had issued bonuses to reimburse employees for at least \$17,900 in contributions to the Hinchey Committee. The MUR 4543 complaint also alleged that Besicorp had provided the Hinchey Committee with illegal in-kind contributions in the form of employee time spent on campaign business and the use of its facilities.

In its November 14, 1996 response to this earlier complaint, the Hinchey Committee reported the allegations were the subject of an ongoing investigation by the United States Attorney's Office for the Southern District of New York, and represented that it was cooperating with the government's criminal investigation. The Hinchey Committee also asserted that it had "no information either to affirm or deny the allegations made against Besicorp." After receiving the 1996 complaint and response, this Office communicated with the Department of Justice regarding its investigation into the 1992 activity underlying MUR 4543. Mostly because of considerations relating to the ongoing criminal investigation, MUR 4543 was not activated and eventually was closed as stale in June 1998.

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<sup>3</sup> The information this Office has obtained regarding Mr. Zinn's relationship with the Hinchey Committee is based almost entirely on the 1997 criminal indictment of Mr. Zinn and Besicorp. See May 15, 1997 Indictment (attached as Exhibit 1). In later criminal plea agreements, Mr. Zinn agreed not to contest any of the facts set forth in the indictment.

On March 21, 1997, Ansaldo pleaded guilty to two misdemeanor counts of violating the Act in connection with \$43,000 in illegal contributions that it made to the Hinchey Committee during the 1992 campaign. Ansaldo admitted to making \$40,000 in illegal contributions to the Hinchey Committee via payments it made, at the direction of Mr. Zinn, to Besicorp. Ansaldo also admitted that, acting at the request of Mr. Zinn and through its Ansaldo Industria of America, Inc. subsidiary ("Ansaldo Industria"), it reimbursed individual employees of Ansaldo Industria for \$3000 contributions they sent to Mr. Hinchey's campaign. See Factual Discussion in May 15, 1997 Indictment of Michael Zinn and Besicorp Group at Paragraphs 13, 17-19 and 21-24 (attached at Exhibit 1). Ansaldo was fined the maximum penalty of \$200,000 for the acts covered by its March 1997 plea agreement. See *Rep. Hinchey got \$43,000 in illegal donations*, Associated Press Political Service, March 24, 1997, (attached at Exhibit 2).

On May 15, 1997, Michael Zinn and Besicorp were indicted on charges that they had conspired to defraud the United States and the Commission in connection with enforcement of the Act, and also to have caused the Hinchey Committee to make false statements on disclosure reports filed with the Commission. See Indictment at Exhibit 1.

As background for the offenses with which Mr. Zinn and Besicorp were charged, the indictment alleged that: a) commencing in or about July 1992, Michael Zinn was the finance chairman of the Hinchey campaign; b) the finance operation of the Hinchey campaign was conducted, in part, out of Besicorp's corporate headquarters; c) meetings of the Hinchey campaign finance committee were regularly conducted at a conference room in Besicorp's headquarters; d) phone and mail solicitations to the Hinchey campaign were organized and carried on from Besicorp's headquarters; e) contributions to the Hinchey campaign were regularly received, tabulated and recorded at Besicorp's headquarters; and f) from July through

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November 1992, a number of Besicorp employees devoted a significant portion of their normal work day to work on the Hinchey campaign. *Id.* at Paragraphs 14-16.

The indictment also alleged that Zinn and Besicorp reimbursed various Besicorp employees, relatives of Besicorp employees and an employee of another company controlled by Zinn for \$27,000 in campaign contributions to the Hinchey Committee. *Id.* at Paragraph 20. The indictment also alleged that Mr. Zinn had solicited Ansaldo's president to make a corporate contribution to the Hinchey Committee, and that Ansaldo subsequently made \$40,000 in secret payments to the Hinchey campaign through Besicorp and Mr. Zinn. *Id.* at Paragraphs 17-19. Finally, the indictment alleges that Mr. Zinn solicited an officer of an Ansaldo subsidiary to cause his employees to make contributions to the Hinchey campaign and to reimburse such employees for those contributions, and that Ansaldo subsequently reimbursed its employees for \$3000 in contributions to the Hinchey Committee. *Id.* at Paragraphs 21-24.

On June 19, 1997, Michael Zinn and Besicorp each pled guilty to one count of aiding and abetting the making of false statements to the Commission. As part of the plea agreement, Besicorp and Zinn agreed not to contest any of the allegations in the May 15, 1997 indictment. See, Besicorp Group, Chairman Zinn Plead Guilty to U.S. Campaign Law Charges, Independent Power Report, June 27, 1997 (attached at Exhibit 3). In October 1997, Michael Zinn was sentenced to six months in prison and fined \$36,673 for the acts covered by the June 1997 plea agreement. Besicorp was fined \$36,000 for its role in the acts covered by its June 1997 plea agreement. See, Executive gets prison term, Times Union (Albany, NY), October 23, 1997, p. E1 (attached at Exhibit 4)

On April 8, 1998, the Hinchey Committee sent the U.S. Treasury a check for \$27,000 to disgorge the amount that had been illegally contributed to it in 1992 by Besicorp. The disclosure

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reports filed with the Commission do not indicate that the Hinchey Committee has ever returned or disgorged any of the \$3000 in 1992 contributions it received from the three individuals who acted as "straw donors" for Ansaldo.

### **C. Complaint and Response**

The October 28, 1998 complaint in this MUR alleges that the Hinchey Committee knowingly and willfully violated 11 C.F.R. § 103.3(b)(2) by failing to return any of the \$43,000 in illegal contributions that were the subject of Ansaldo's March 1997 plea agreement. The complaint also alleges that the Hinchey Committee knowingly and willfully violated 11 C.F.R. § 103.3(b)(2) by waiting approximately ten months to return or disgorge the \$27,000 in illegal contributions that were the subject of the June 1997 Besicorp and Michael Zinn plea agreements.

The Hinchey Committee's response states that the \$27,000 it returned to the U.S. Treasury reflected the entire amount of the illegal contributions it received from Besicorp. The response argues that the \$43,000 figure referred to in the Ansaldo plea agreement relates to the funds that Ansaldo transferred to Besicorp, and that the Hinchey Committee cannot be held responsible for the return of funds it never received. The response does not address the fact that the Hinchey Committee apparently received \$3000 in contributions for which Ansaldo reimbursed specific individual employees, and that it does not appear to have refunded or disgorged these funds.

### **D. ANALYSIS**

From the outset, this matter raised some difficult questions regarding when the Hinchey Committee's obligation to refund or disgorge the funds from Ansaldo and/or Besicorp arose. This Office considered several alternatives ranging from the dates on which the contributions were made in 1992 to the dates on which Ansaldo, Besicorp and Mr. Zinn entered guilty pleas in

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1997. Although the complaint focuses on the Hinchey Committee's failure to fully refund or disgorge the illegal contributions after learning of the 1997 criminal plea agreements, this Office ultimately concluded that, for the reasons set forth below, it would recommend that the Commission conclude that the Committee has had knowledge of the illegality of the Ansaldo and Besicorp contributions since 1992.

Under this analysis, the five year statute of limitations on all of the 1992 conduct at issue ran well before the complaint in this matter was received by the Commission. For this reason, although this Office recommends that the Commission make reason to believe findings with regard to the major participants in the 1992 violations, it also recommends that the Commission take no further action, issue a letter of admonishment to the respondents, and close the file.<sup>4</sup>

**1. Violations Stemming from the Reimbursement Schemes**

Based on facts set forth in the May 15, 1997 indictment of Besicorp and Mr. Zinn, as well as the guilty pleas discussed above, it appears that Ansaldo, Besicorp and Mr. Zinn may have violated 2 U.S.C. § 441b and § 441f by making and arranging prohibited corporate contributions

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<sup>4</sup> As noted above, the Hinchey Committee did belatedly disgorge the \$27,000 it received from Besicorp. The information available to this Office suggests that the \$40,000 which was transferred from Ansaldo to Besicorp and Mr. Zinn either was not passed on to the Hinchey Committee at all or that only a part of which was passed on through the \$27,000 in contributions from Besicorp that the Hinchey Committee later disgorged. Thus, the only additional amount that the Hinchey Committee could refund or disgorge would be the \$3000 that respondents received from Ansaldo through the employee straw donors. Under the current regulation, the appropriate action would be for the Commission to order the Hinchey Committee to return the sum of \$3000 to Ansaldo. This Office does not recommend taking further action against the Hinchey Committee solely to effect the return of \$3000 to a corporation which has admitted that it violated the law in making the contribution.

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and contributions in the name of another to the Hinchey Committee.<sup>5</sup> Specifically, Ansaldo admits to reimbursing employees of its subsidiary for \$3000 in contributions to the Hinchey Committee. Further, Besicorp admits to reimbursing employees, employees' relatives and an employee of another company controlled by Mr. Zinn for \$27,000 in contributions to the Hinchey Committee. See Indictment at Paragraphs 20-24. Further, Mr. Zinn admits to having solicited, directed and/or arranged the reimbursements and prohibited contributions by Ansaldo and Besicorp. *Id.* Given the intent element of the criminal offenses to which Ansaldo, Besicorp and Mr. Zinn entered guilty pleas, it would appear that any related civil violations of the Act by Ansaldo, Besicorp and Mr. Zinn were knowing and willful.

It is also this Office's position that the Hinchey Committee, through Mr. Zinn acting as its agent, had knowledge of the illegality of these contributions at the time they were received in 1992. First, as noted above, Zinn was the Finance Chairman of the campaign. In addition, as described in detail by Zinn's indictment, the relationship between the Hinchey campaign and Zinn was a very close one. According to Zinn's indictment, many of the campaign's activities were undertaken at Besicorp and many Besicorp employees were doing a variety of tasks for the Hinchey Committee for several months before the election. These facts, when taken together, appear to establish that Mr. Zinn had at least apparent, if not actual, authority as an agent of the Hinchey Committee in soliciting and accepting contributions. See 11 C.F.R. § 109.1(b)(5).

Because Mr. Zinn was aware of the illegality of his acts in 1992, as evidenced both by his efforts to conceal the true source of the contributions and the guilty plea to criminal charges

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<sup>5</sup> Based on the information set forth in their 1997 criminal plea agreements, this Office recommends that the Commission generate Ansaldo, Besicorp and Michael F. Zinn as additional respondents in this matter.

stemming from this conduct, the Hinchey Committee, to which his knowledge as its agent is imputed, appears to have acted knowingly and willfully in accepting the illegal contributions. Thus, the Hinchey Committee may have knowingly and willfully violated 2 U.S.C. § 441b and § 441f when the contributions were accepted in 1992. Further, notwithstanding the complaint's assumption that the Hinchey Committee first learned of the illegality in 1997, the facts indicate that the Hinchey Committee first had knowledge of the illegality at the same time as its agent Mr. Zinn. For these reasons, the Hinchey Committee's obligation to refund or disgorge the illegal contributions appears to have arisen on the date of receipt in 1992, rather than in 1997 when Ansaldo, Besicorp and Mr. Zinn pled guilty to criminal charges.

Even if Mr. Zinn's actions were unauthorized or contrary to specific instructions, both knowledge of, and responsibility for these actions can be imputed to the Hinchey Committee if he was acting as its agent. See Restatement (Second) of Agency § 231; Local 1814, Int'l Longshoremen's Ass'n v. NLRB, 735 F.2d 1384, 1395 (D.C. Cir. 1984), cert. denied, 469 U.S. 1072 (holding union liable for scheme in which officer of the union conspired with employer to procure illegal kickbacks). Further, even if Mr. Zinn lacked actual authority to take some or all of the specific actions described above, his position as "finance chairman" and the nature of his activities on behalf of the Hinchey campaign, as described in the indictment, seem to establish that the Hinchey Committee granted him apparent authority to act on its behalf. Thus, the Hinchey Committee may be held civilly liable for Mr. Zinn's actions, because it placed him in a position where he had the apparent authority to act on its behalf and subsequently was negligent or reckless in its supervision of his activities. See Restatement (Second) Agency § 213.

Therefore, this Office recommends that the Commission find reason to believe that Ansaldo North America, Inc. knowingly and willfully violated 2 U.S.C. § 441b and § 441f, but

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take no further action with regard to this respondent and send a letter of admonishment. This Office also recommends that the Commission find reason to believe that Besicorp Group, Inc. knowingly and willfully violated 2 U.S.C. § 441b and § 441f, but take no further action with regard to this respondent and send a letter of admonishment. This Office further recommends that the Commission find reason to believe that Michael Zinn knowingly and willfully violated 2 U.S.C. § 441b and § 441f, but take no further action with regard to this respondent and send a letter of admonishment. Finally, this Office recommends that the Commission find reason to believe that the Friends of Maurice Hinchey and Frank Koenig, as treasurer, knowingly and willfully violated 2 U.S.C. § 441b and § 441f, but take no further action and send a letter of admonishment.

**2. Violations Stemming from In-Kind Corporate Contributions**

Based on facts set forth in Paragraphs 15-16 of the May 15, 1997 indictment of Besicorp and Mr. Zinn, it appears that Besicorp and Mr. Zinn, as its President and CEO, may have violated 2 U.S.C. § 441b by making illegal corporate in-kind contributions to the Hinchey Committee. Further, the Hinchey Committee may have violated 2 U.S.C. § 441b by accepting such in-kind contributions. Specifically, the indictment alleges that Besicorp provided the Hinchey Committee with use of its facilities and resources in that a) the finance operation of the Hinchey campaign was conducted, in part, out of Besicorp's corporate headquarters, b) meetings of the Hinchey campaign finance committee were regularly conducted at a conference room in Besicorp's headquarters, c) phone and mail solicitations to the Hinchey campaign were organized and carried on from Besicorp's headquarters, d) contributions to the Hinchey campaign were regularly received, tabulated and recorded at Besicorp's headquarters; and e) from July through

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November 1992, a number of Besicorp employees devoted a significant portion of their normal work day to work on the Hinchey campaign. *Id.* at Paragraphs 15-16.

The information available to this Office suggests that the Hinchey Committee did not reimburse Besicorp for the use of its facilities and the time that Besicorp employees spent on fundraising activities. 2 U.S.C. § 441b. Thus, it appears that Besicorp, acting at the direction of Mr. Zinn, made prohibited in-kind corporate contributions to the Hinchey Committee in violation of 2 U.S.C. § 441b.

Therefore, this Office recommends that the Commission find reason to believe that Besicorp Group Inc. and Michael F. Zinn, as its President and CEO, violated 2 U.S.C. § 441b by making prohibited corporate in-kind contributions to the Hinchey Committee, but take no further action with regard to this respondent and send a letter of admonishment. This Office recommends that the Commission find reason to believe that Friends of the Maurice Hinchey Committee and Frank Koenig, as treasurer, violated 2 U.S.C. § 441b by accepting prohibited corporate in-kind contributions from Besicorp, but take no further action with regard to this respondent and send a letter of admonishment.

#### IV. RECOMMENDATIONS

1. Find reason to believe that Ansaldo North America, Inc. knowingly and willfully violated 2 U.S.C. § 441b and § 441f, but take no further action with regard to this respondent and send a letter of admonishment.
2. Find reason to believe that Besicorp Group, Inc. knowingly and willfully violated 2 U.S.C. § 441b and § 441f, but take no further action with regard to this respondent and send a letter of admonishment.
3. Find reason to believe that Michael Zinn knowingly and willfully violated 2 U.S.C. § 441b and § 441f, but take no further action with regard to this respondent and send a letter of admonishment.

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4. Find reason to believe that the Friends of the Maurice Hinchey Committee and Frank Koenig, as treasurer, knowingly and willfully violated 2 U.S.C. §§ 441b and § 441f, but take no further action with regard to these respondents and send a letter of admonishment.
5. Find reason to believe that Besicorp Group, Inc. and Michael Zinn, as CEO, violated 2 U.S.C. § 441b by making corporate in-kind contributions to the Friends of Maurice Hinchey, but take no further action with regard to these respondents and send a letter of admonishment.
6. Find reason to believe that the Friends of the Maurice Hinchey Committee and Frank Koenig, as treasurer, violated 2 U.S.C. §§ 441b by accepting in-kind contributions from Besicorp Group Inc., but take no further action with regard to these respondents and send a letter of admonishment.
7. Approve the appropriate letters.
8. Close the file.

Lawrence M. Noble  
General Counsel

Date

11/8/99

BY:

  
Lois G. Lerner  
Associate General Counsel

Attachments:

- 1) May 15, 1997 Criminal Indictment of Besicorp Group Inc. and Michael Zinn
- 2) March 25, 1997 AP Political Service,  
*Rep. Hinchey got \$43,000 in illegal donations,*
- 3) June 27, 1997 Independent Power Report.  
*Besicorp Group, Chairman Zinn Pleads Guilty to U.S. Campaign Law Charges.*
- 4) October 23, 1997, Times Union (Albany, NY)  
*Executive gets prison term,*


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FEDERAL ELECTION COMMISSION  
Washington, DC 20463

MEMORANDUM

TO: Lawrence M. Noble  
General Counsel

FROM: Mary W. Dove/Lisa R. Davis  
Acting Commission Secretary 

DATE: November 15, 1999

SUBJECT: MUR 4843 - First General Counsel's Report  
dated November 8, 1999.

The above-captioned document was circulated to the Commission  
on Tuesday, November 09, 1999.

Objection(s) have been received from the Commissioner(s) as  
indicated by the name(s) checked below:

Commissioner Elliott	—
Commissioner Mason	<u>XXX</u>
Commissioner McDonald	—
Commissioner Sandstrom	—
Commissioner Thomas	—
Commissioner Wold	—

This matter will be placed on the meeting agenda for

Tuesday, November 30, 1999.

Please notify us who will represent your Division before the Commission on this  
matter.

21-04-403-0638





**FEDERAL ELECTION COMMISSION**  
Washington, DC 20463

**MEMORANDUM**

**TO:** Office of the Commission Secretary

**FROM:** Office of General Counsel *KCS*

**DATE:** November 9, 1999

**SUBJECT:** MUR 4843-First General Counsel's Report

The attached is submitted as an Agenda document for the Commission Meeting of \_\_\_\_\_

Open Session \_\_\_\_\_

Closed Session \_\_\_\_\_

**CIRCULATIONS**

**SENSITIVE** ☒  
**NON-SENSITIVE** ☐

72 Hour TALLY VOTE ☒

24 Hour TALLY VOTE ☐

24 Hour NO OBJECTION ☐

INFORMATION ☐

**DISTRIBUTION**

**COMPLIANCE** ☒

Open/Closed Letters ☐

MUR ☐

DSP ☐

**STATUS SHEETS** ☐

Enforcement ☐

Litigation ☐

PFESP ☐

**RATING SHEETS** ☐

**AUDIT MATTERS** ☐

**LITIGATION** ☐

**ADVISORY OPINIONS** ☐

**REGULATIONS** ☐

**OTHER** ☐

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